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SOUTHERN UNIVERSITY ALUMNI FEDERATION

FINANCIAL STATEMENTS

JUNE 30, 2006

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Release Date 6/26/07

DARRYL D. THOMAS
CERTIFIED PUBLIC ACCOUNTANT

SOUTHERN UNIVERSITY ALUMNI FEDERATION

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DARRYL D. THOMAS
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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Southern University Alumni Federation
Baton Rouge, Louisiana

We have audited the accompanying statement of financial position of Southern University Alumni Federation, (a nonprofit corporation), as of June 30, 2006, and the related statements of activity and cash flows for the year then ended. These financial statements are the responsibility of Southern University Alumni Federation's management. Our responsibility is to express an opinion on the financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Southern University Alumni Federation, as of June 30, 2006, and the results of operations and its cash flows for the year then ended.



Darryl D. Thomas, CPA

Duncanville, Texas
November 30, 2006

**SOUTHERN UNIVERSITY ALUMNI FEDERATION
STATEMENT OF FINANCIAL POSITION
JUNE 30, 2006**

ASSETS

| | |
|--|-------------------------|
| Cash | \$544,657 |
| Land | 91,885 |
| Investments | 1,905 |
| Property, Plant & Equipment (Net of Accumulated Depreciation of \$24,706) | 4,747 |
| Development Cost - Alumni Center | <u>85,055</u> |
| TOTAL ASSETS | <u><u>\$728,249</u></u> |

LIABILITIES AND NET ASSETS

| | |
|---|-------------------------|
| Liabilities | |
| Accounts Payable | \$2,743 |
| Holding Accounts Payables | <u>191,389</u> |
| TOTAL LIABILITIES | 194,132 |
| Net Assets | |
| Unrestricted | 102,742 |
| Restricted | <u>431,375</u> |
| TOTAL NET ASSETS | <u>534,117</u> |
| TOTAL LIABILITIES AND NET ASSETS | <u><u>\$728,249</u></u> |

The accompanying notes are an integral part of this statement

**SOUTHERN UNIVERSITY ALUMNI FEDERATION
STATEMENT OF ACTIVITY
FOR THE YEAR ENDED JUNE 30, 2006**

| | <u>UNRESTRICTED</u> | <u>RESTRICTED</u> |
|--|-------------------------|-------------------------|
| REVENUES | | |
| Contribution and Support | \$155,712 | \$296,324 |
| Interest Income | 300 | 2,418 |
| Fund Raising | 7,132 | |
| In Kind Services - Southern University | <u>201,675</u> | <u> </u> |
| Total Revenues | <u>364,819</u> | <u>298,742</u> |
| EXPENSES | | |
| Program | 198,055 | 8,261 |
| General | 39,977 | 4,174 |
| Fundraising | 4,327 | |
| In Kind Services - Southern University | <u>201,675</u> | <u> </u> |
| Total Expenses | <u>444,034</u> | <u>12,435</u> |
| CHANGE IN NET ASSETS (DEFICIT) | (79,215) | 286,307 |
| NET ASSETS AT BEGINNING OF YEAR | <u>181,957</u> | <u>145,068</u> |
| NET ASSETS AT END OF YEAR | <u><u>\$102,742</u></u> | <u><u>\$431,375</u></u> |

The accompanying notes are an integral part of this statement

**SOUTHERN UNIVERSITY ALUMNI FEDERATION
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2006**

CASH FLOWS FROM OPERATING ACTIVITIES:

| | |
|--|----------------|
| Change in Net Assets | \$207,092 |
| Adjustments to reconcile revenues in excess of expenses to net cash provided by operating activities: | |
| Depreciation | 2,015 |
| Increase in accounts payables | 692 |
| Decrease in holding accounts payables | <u>(7,837)</u> |

| | |
|--|----------------|
| NET CASH PROVIDED BY OPERATING ACTIVITIES | <u>201,962</u> |
|--|----------------|

CASH FLOWS FROM INVESTING ACTIVITIES:

| | |
|------------------|-----------------|
| Development Cost | <u>(85,055)</u> |
|------------------|-----------------|

| | |
|--|-----------------|
| NET CASH USED IN INVESTING ACTIVITIES | <u>(85,055)</u> |
|--|-----------------|

CASH FLOWS FROM FINANCING ACTIVITIES:

| | |
|--|----------|
| | <u>0</u> |
|--|----------|

| | |
|--|----------|
| NET CASH USED IN FINANCING ACTIVITIES | <u>0</u> |
|--|----------|

| | |
|-----------------------------|---------|
| NET DECREASE IN CASH | 116,907 |
|-----------------------------|---------|

| | |
|--------------------------------|----------------|
| CASH, BEGINNING OF YEAR | <u>427,750</u> |
|--------------------------------|----------------|

| | |
|-----------------------------|-------------------------|
| CASH, ENDING OF YEAR | <u><u>\$544,657</u></u> |
|-----------------------------|-------------------------|

The accompanying notes are an integral part of this statement

**SOUTHERN UNIVERSITY ALUMNI FEDERATION
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2006**

| | <u>PROGRAM</u> | <u>GENERAL</u> | <u>FUND RAISING</u> | <u>TOTAL</u> |
|-----------------------|----------------|----------------|-------------------------|--------------|
| Accounting & Audit | | 13,500 | | 13,500 |
| Alumni Center | | 4,847 | | 4,847 |
| Bank Charges | | 1,468 | | 1,468 |
| Bayou Classic | 16,200 | | | 16,200 |
| Condolences | | 350 | | 350 |
| Conference 2005 | 69,946 | | | 69,946 |
| Conference 2006 | 50,106 | | | 50,106 |
| Commissions | | 1,700 | | 1,700 |
| Depreciation | | 2,015 | | 2,015 |
| Dues & Subscriptions | | 1,029 | | 1,029 |
| Election Expense | | 1,372 | | 1,372 |
| Executive Meetings | | 979 | | 979 |
| Homecoming/Reunions | 4,497 | | | 4,497 |
| Office Expense | 7,085 | 5,728 | 2,261 | 15,074 |
| Postage | 1,439 | 617 | | 2,056 |
| Professional Services | | 2,819 | | 2,819 |
| Southernite | 15,093 | | | 15,093 |
| Tickets | 34,086 | | | 34,086 |
| Travel | 5,151 | 7,727 | | 12,878 |
| University Support | 2,713 | | | 2,713 |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| Total Expenses | 206,316 | 44,151 | 2,261 | 252,728 |

The accompanying notes are an integral part of this statement

SOUTHERN UNIVERSITY ALUMNI FEDERATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2006

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

Southern University Alumni Federation, is a non-profit corporation established in 1941 with the objective to cultivate and perpetuate an organization of its members and to promote the welfare of Southern University and its graduates.

Basis of Presentation

In 1997, the organization adopted Statement of Financial Accounting Standards (SFAS) No. 117, "Financial Statements of Not-for-Profit Organizations." Under SFAS No. 117, it is required to report information regarding the nature and amount of its net assets. Accordingly, it has reclassified its financial statements to present net assets.

Revenues and expenses are recognized and reported in the financial statements when they are earned and incurred.

Property Plant and Equipment

Southern University Alumni Federation follows the practice of recording all fixed assets at cost. Depreciation is calculated over the estimated useful lives of the respective assets on a straight-line basis.

Supplies and Materials

Office supplies and maintenance materials are charged to expense when purchased.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures.

SOUTHERN UNIVERSITY ALUMNI FEDERATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2006

NOTE 2 - RESTRICTED NET ASSETS

The organization separately discloses the donor imposed restricted cash assets. Accordingly, all net assets are properly accounted for as restricted and unrestricted net assets.

NOTE 3 - CASH AND CASH EQUIVALENTS

Cash consist of demand deposit, NOW and time deposit accounts. Some of the cash accounts are restricted by donors.

| | <u>Unrestricted</u> | <u>Restricted</u> | <u>TOTAL</u> |
|-------------------------|---------------------|-------------------|-------------------|
| Cash - Checking | \$ 31,265 | \$ | \$ 31,265 |
| Holding Accounts | | 36,950 | 36,950 |
| Scholarships | | 53,068 | 53,068 |
| Life Membership | | 200,443 | 200,443 |
| Building Fund | | 8,110 | 8,110 |
| Building Club | | 33,595 | 33,595 |
| Building Fund -Checking | | 153,991 | 153,991 |
| Emergency Fund | 26,843 | | 26,843 |
| Alumni Federation | 146 | | 146 |
| Legal Defense | | 246 | 246 |
| | <hr/> | <hr/> | <hr/> |
| Total | <u>\$ 58,254</u> | <u>\$ 486,403</u> | <u>\$ 544,657</u> |

NOTE 4 - LAND

The organization received two parcels of land as donations which are recorded on the books at the fair market value at the time of transfer.

NOTE 5 - Holding Accounts

Southern University Alumni Federation manages the cash receipts and disbursements for various organizations, University Departments and

SOUTHERN UNIVERSITY ALUMNI FEDERATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2006

individuals. The funds are recorded as restricted cash with a corresponding restricted liability.

| | |
|------------------------|-------------------|
| SUAF Alumni Chapters | \$ 85,098 |
| Hayes Scholarship Fund | 30,820 |
| Various Other Funds | <u>75,471</u> |
| Total | <u>\$ 191,389</u> |

NOTE 6 - INCOME TAXES

No provision for income tax have been included in the financial statements since Southern University Alumni Federation, is a non-profit corporation, exempt under IRC Section 501(c)(3).